

Message Text

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SUBJ: INVESTMENT OPPORTUNITY: BATCH CEMENT PLANT IN SHARJAH

REF: ABU DHABI A-25 5/6/75

KHALIL ZAKHEM, OWNER AND MANAGER OF ZAKHEM GULF LTD.
(P.O. BOX 1510, SHARJAH, UAE) INVITES PARTICIPATION
OF AMERICAN FIRMS IN THE FORMATION OF A UAE JOINT
VENTURE COMPANY FOR A CEMENT BATCH PLANT. CAPITALI-
ZATION OF PROPOSED COMPANY HE ESTIMATES AT DHS.
ONE MILLION (DOLLARS 250,000). AMERICAN JOINT
VENTURE PARTNER CAN CONTRIBUTE EQUIPMENT AND
TECHNOLOGY IN LIEU OF CASH. ZAKHEM ALSO WANTS
TO AWARD AMERICAN FIRM MANAGEMENT CONTRACT.

2. AS MANY OBSERVERS HAVE NOTED, UAE CONSTRUCTION
INDUSTRY IS SURPRISINGLY LABOR INTENSIVE AND
INEFFICIENT. STRUCTURAL CONCRETE IS MIXED ON SITE,
USUALLY IN PORTABLE MIXERS OF 1 OR 1 1/2 CUBIC METER
CAPACITY. AGGREGATE, IS NOW QUARRIED AND PREPARED
AT VARIOUS SITES THROUGHOUT THE UAE, PRIMARILY IN
RAS AL-KAHIMAH, SHARJAH, AND AL-AIN (ABU DHABI).
TWO DEVELOPMENTS MAY MAKE BATCHING PLANTS MORE
COMPETITIVE. FIRSTLY, THE SCALE OF BUILDING THROUGHOUT
THE UAE IS INCREASING, WITH TEN STORY COMMERCIAL AND
RESIDENTIAL BUILDINGS, HOTELS, LARGER HOMES, COMMERCIAL
AND ADMINISTRATIVE COMPLEXES. SECONDLY, BECAUSE OF
INFLATIONARY PRESSURE CONTRACTORS ARE TAKING A CAREFUL
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LOOK AT THE COST OF LABOR AND EQUIPMENT FOR ESTABLISHING

ON SITE BATCH PLANTS. ZAKHEM, A GRADUATE ENGINEER
OF WAYNE STATE UNIVERSITY, BELIEVES THAT BECAUSE OF THESE
FACTORS CONTRACTORS WILL PURCHASE CONCRETE FROM A LARGE

SCALE BATCH OPERATION.

3. ZAKHEM'S FIRM IS NEWLY ESTABLISHED BUT HE HAS EXCITED
INTEREST OF ONE OF DUBAI'S LARGEST BUILDING SUPPLIES
IMPORTER, MOHAMMAD AL-MASOUD, IN THIS VENTURE, EMBASSY
BELIEVES THAT COMBINATION OF ZAKHEM AMERICAN EDUCATION
AND COMMERCIAL INFLUENCE OF AL-MASOUD ORGANIZATION
PROVIDES EXCELLENT BACKUP OF AMERICAN MANAGERIAL
ABILITY.
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